

EXHIBIT 1

INTRODUCTION

Respondent Gavin Newsom was a successful candidate for Mayor of San Francisco in the December 9, 2003 mayoral runoff election. Respondent Newsom for Mayor (the “Committee”) was Respondent Newsom’s controlled committee established to support his candidacy in that election. At all times relevant to this matter, Respondent Laurence Pelosi was Respondent Committee’s treasurer.

During the campaign for the mayoral runoff election, Respondents paid for and sent a campaign mailer which negatively portrayed Respondent Newsom’s opponent, Matt Gonzalez. The Enforcement Division received and investigated a complaint that Respondents failed to comply with the mass mailing sender identification provisions of the Political Reform Act (the “Act”).¹ Based on the investigation, Enforcement Division staff determined that Respondents violated the mass mailing sender identification provisions of the Act.

For the purposes of this stipulation, Respondents’ violations of the Act are stated as follows:

Between November 12, 2003 and December 9, 2003, Respondents Gavin Newsom, Laurence Pelosi, and Newsom for Mayor sent a mass mailing, as defined in section 82041.5 of the Government Code, entitled *Guardian on Gonzalez*, that did not display the name of the candidate or committee sending the mass mailing in a color or print which contrasted with the background of the mailer so as to be easily legible, in violation of section 84305, subdivision (a) of the Government Code.

SUMMARY OF THE LAW

Section 84305, subdivision (a) requires candidates and committees to properly identify themselves when sending a mass mailing, stating in pertinent part:

“...no candidate or committee shall send a mass mailing unless the name, street address, and city of the candidate or committee are shown on the outside of each piece of mail in the mass mailing, and on at least one of the inserts included within each piece of mail in the mass mailing in no less than 6-point type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be used in lieu of the street

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

address, if the organization's address is a matter of public record with the Secretary of State."

Section 82041.5 defines a "mass mailing" as over two hundred substantially similar pieces of mail, but does not include a form letter or other mail which is sent in response to an unsolicited request, letter or other inquiry. Regulation 18435, subdivision (a) clarifies this section, and further defines a mass mailing as over two hundred substantially similar pieces of mail sent in a calendar month. Regulation 18435, subdivision (b) defines the term "sender," as used in section 84305, as the candidate or committee who pays for the largest portion of the expenditures attributable to the designing, printing, or posting of the mailing.

SUMMARY OF THE FACTS

Respondent Gavin Newsom was a successful candidate for Mayor of the City of San Francisco in the December 9, 2003 mayoral runoff election. Respondent Committee was Respondent Newsom's controlled committee established to support his candidacy in that election. At all times relevant to this matter, Respondent Laurence Pelosi served as the treasurer for Respondent Committee, and is named in that capacity.

During the run-off campaign, Respondents Newsom and Committee sent a campaign mailing that consisted of over two hundred substantially similar pieces of mail, entitled the "Guardian on Gonzalez" to prospective voters in the San Francisco mayoral runoff election. The mailer contained excerpts from the San Francisco Bay Guardian, about Respondent Newsom's opponent, Matt Gonzalez, and created a negative impression of the candidacy of Matt Gonzalez.

While the campaign mailer appropriately set forth the name and address of Respondent Committee, the words "Paid for by Newsom for Mayor. FPPC # 1250905" were printed in dark gray print on a black background inside a banner strip that separated the recipient's address from the body of the mailer. Because of the lack of contrast between the dark gray print identifying Respondent Committee and the black background of the banner strip, the identify of Respondent Committee as the sender of the campaign mailer was not easily legible.

By failing to include proper sender identification in a "color or print which contrasts with the background so as to be easily legible," Respondents Newsom, Pelosi, and Committee violated section 84305, subdivision (a).

CONCLUSION

This matter consists of one count of sending a mass mailing in violation of section 84305, subdivision (a) of the Act, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000).

Although the name and address of the Respondent Committee was disclosed on the subject mailer, an ordinary reader could have missed the identity of the sender of the mailer in reviewing the content of the mailer aimed at Respondent Newsom's opponent. However, this

was an isolated violation, Respondents have no history of enforcement actions being taken against them by the Commission, and they fully cooperated with the FPPC.

The facts of this case, particularly the fact that sender identification was provided, albeit in an inadequate manner, therefore justify imposition of the agreed upon mid-level penalty of Two Thousand Five Hundred Dollars (\$2,500).